

House File 2502

S-5322

1 Amend House File 2502, as amended, passed, and reprinted by
2 the House, as follows:

3 1. Page 37, after line 28 by inserting:

4 <DIVISION ____

5 MANUFACTURER SALES TAX EXEMPTION

6 Sec. _____. Section 423.3, subsection 47, paragraph d,
7 subparagraph (4), Code 2018, as amended by 2018 Iowa Acts,
8 Senate File 2417, section 183, is amended to read as follows:

9 (4) (a) *"Manufacturer"* means a any of the following:

10 (1) A business that primarily purchases, receives, or holds
11 personal property of any description for the purpose of adding
12 to its value by a process of manufacturing with a view to
13 selling the property for gain or profit.

14 ~~(b) *"Manufacturer"* includes~~

15 (2) A contract manufacturers manufacturer. A contract
16 manufacturer is a manufacturer that otherwise falls within the
17 definition of manufacturer, except that a contract manufacturer
18 does not sell the tangible personal property the contract
19 manufacturer processes on behalf of other manufacturers.

20 (3) A nonprofit blood center.

21 ~~(e)~~ (b) *"Manufacturer"* does not include persons who are not
22 commonly understood as manufacturers, including but not limited
23 to persons engaged in any of the following activities:

24 (i) Construction contracting.

25 (ii) Repairing tangible personal property or real property.

26 (iii) Providing health care.

27 (iv) Farming, including cultivating agricultural products
28 and raising livestock.

29 (v) Transporting for hire.

30 ~~(d)~~ (c) For purposes of this subparagraph:

31 (i) *"Business"* means those businesses conducted for
32 profit, but excludes professions and occupations, and excludes
33 nonprofit organizations that are not a nonprofit blood center.

34 (ii) *"Manufacturing"* means those activities commonly
35 understood within the ordinary meaning of the term, and shall

1 include:

2 (A) Refining.

3 (B) Purifying.

4 (C) Combining of different materials.

5 (D) Packing of meats.

6 (E) Activities subsequent to the extractive process of
7 quarrying or mining, such as crushing, washing, sizing, or
8 blending of aggregate materials.

9 (iii) "*Manufacturing*" does not include activities occurring
10 on premises primarily used to make retail sales.

11 Sec. _____. EFFECTIVE DATE. This division of this Act, being
12 deemed of immediate importance, takes effect upon enactment.>

13 2. By renumbering as necessary.

JIM LYKAM